From:	Lori Terraciano [lterrac@neca.org]
Sent:	Monday, November 04, 2002 2:51 PM
To:	Gsullivan@nttservices.com
Subject:	High Cost information

Good Afternoon Gwen,

Based on our telephone conversation earlier this afternoon, please fax over the pertinent pages of your UNE agreement with Qwest. My fax number is 973-560-4441. Below is some basic information on the certifications and filings that must be submitted to be eligible for High Cost support.

Federal High Cost is made up of the following programs: High Cost Loop Support (HCL), Local Switching Support (LSS), Long term Support (LTS), Interstate Access Support (IAS), Interstate Common Line Support (ICLS). HCL, LSS and LTS together are known as USF.

In order to be eligible to receive USF and IAS support, the following certifications must be submitted:

USF State Certification Requirement - Each state must submit a certification to USAC on 10/1 of every year stating which companies are being certified and that the support that the companies receive will be used only for the provision, maintenance, and upgrading of facilities and services for which support is intended. The following schedule will help you determine when a company is eligible to receive support based on the date that their certification is filed with USAC:

Filed on or before 10/1 - eligible for support for all four quarters of the succeeding year
Filed on or before 1/1 - eligible for support for the 2nd, 3rd and 4th quarters
Field on or before 4/1 - eligible for support for 3rd and 4th quarters
Filed on or before 7/1 - eligible for support for 4th quarter
Filed after 7/1 - not eligible for support in the current year

More information on the 10/1 certifications can be found on the USAC website: http://www.universalservice.org/hc/rtf/certreq.asp.

IAS Certification Requirement - Companies must submit a certification the first time they file for IAS and then every 6/30. This certification must state that the company agrees to use their support only for the provision, maintenance, and upgrading of facilities and services for which support is intended. More information on the IAS certifications can be found on the USAC website: http://www.universalservice.org/hc/overview/ias.asp.

The following are the filings that are required for competitors to be eligible to receive USF or IAS support:

USF - Loop counts must be submitted for each ILEC study area that the competitor competes in according to the followings schedule:

This is the section I thought NTT qualified for when 1st receiving this information.

End of Period 3/31 is due 9/30 of the same year and will be used to calculate support for 1st quarter of the following year (i.e. EOP 3/31/02 is due 9/30/02 and will be used for support in 1Q03).

End of Period 6/30 is due 12/30 of the same year and will be used for support in 2nd quarter of the following year (i.e. EOP 6/30/02 is due 12/30/02 and will be used for support in 2Q03).